

# *2005 Status Report for the Recycled-Content Newsprint Program*

*July 2006*

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# Introduction

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To foster markets for old newspapers, the California Legislature in 1991 established the Recycled-Content Newsprint Program (Public Resources Code sections 42750–42791). This program mandates that at least 50 percent of newsprint used by each of California’s printers and publishers be recycled-content newsprint (RCN). Statute defined RCN as containing a minimum of 40 percent postconsumer old newspaper fiber.

California printers and publishers (consumers) annually certify to the California Integrated Waste Management Board (CIWMB) the total amount of RCN and non-RCN that their businesses use. Newsprint manufacturers that produce RCN used by California printers and publishers must also annually certify how much de-inked pulp they received or produced and how much RCN they distributed to California’s newsprint printers and publishers. Both consumer and manufacturer certifications are due to the CIWMB by March 1 each year.

The 2005 RCN certifications submitted by the consumers and manufacturers provide the following statistics:

- All of California’s 142 regulated consumers certified to the CIWMB.
- 64 percent of all the newsprint used in California was RCN.
- 85 percent of the consumers were in compliance; only 15 percent of the consumers requested exemptions.
- Total newsprint use decreased by 3 percent from 2004 to 1,528,816 metric tons.
- Total RCN use decreased by 6 percent from 2004 to 985,152 metric tons.
- 97 percent of the consumers submitted their certifications by the March 1 due date, representing the highest compliance rate since 1991.

This single low-cost program is clearly a value-added program to the environmental efforts of California. In 2005, estimated resource savings included the following\*:

- 5 million trees.
- 900,000 tons of waste diverted from landfill.
- 700,000 barrels of oil.
- 142 million gallons of water from the paper making process.
- 240,000 megawatt hours of electricity, which is enough energy to heat and air-condition 28,000 average North American homes for at least a year.

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\* See Appendix.

# Report and Analysis

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## Consumer Certification Results

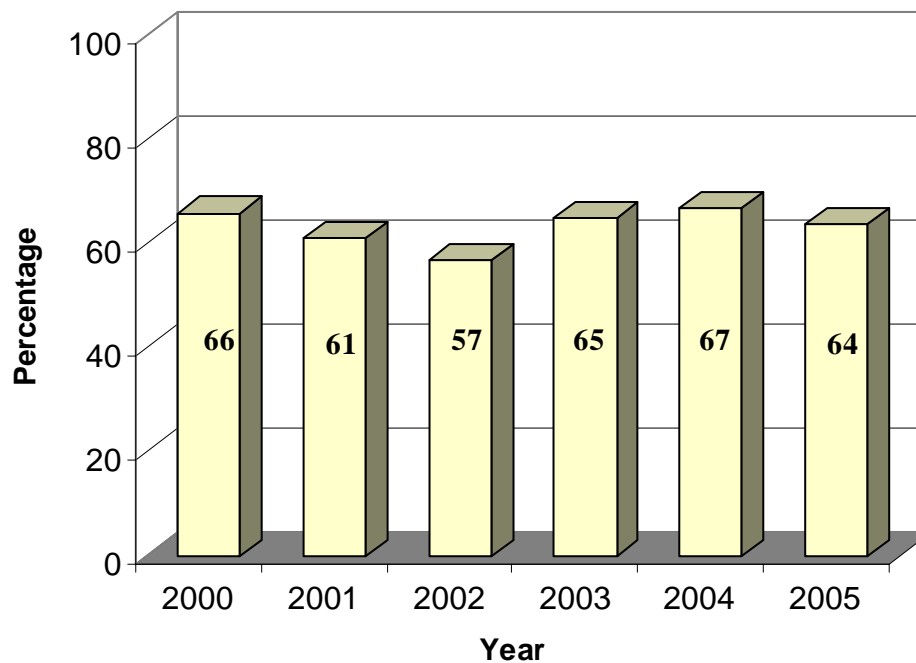
In late 2005, staff mailed RCN certification packets to all known newsprint consumers in California. Of the 144 certification packages mailed, 142 certifications were completed and returned. However, because the two companies that did not report were merged or consolidated with existing companies, all California newsprint consumers certified.

Ninety-seven percent (138) of the consumers submitted their certifications by the March 1 due date; the remaining four consumers filed within the 45 day grace period. The 2005 certification year was the most successful year for RCN certification submittal since the program began in 1991.

## RCN and Non-RCN Usage

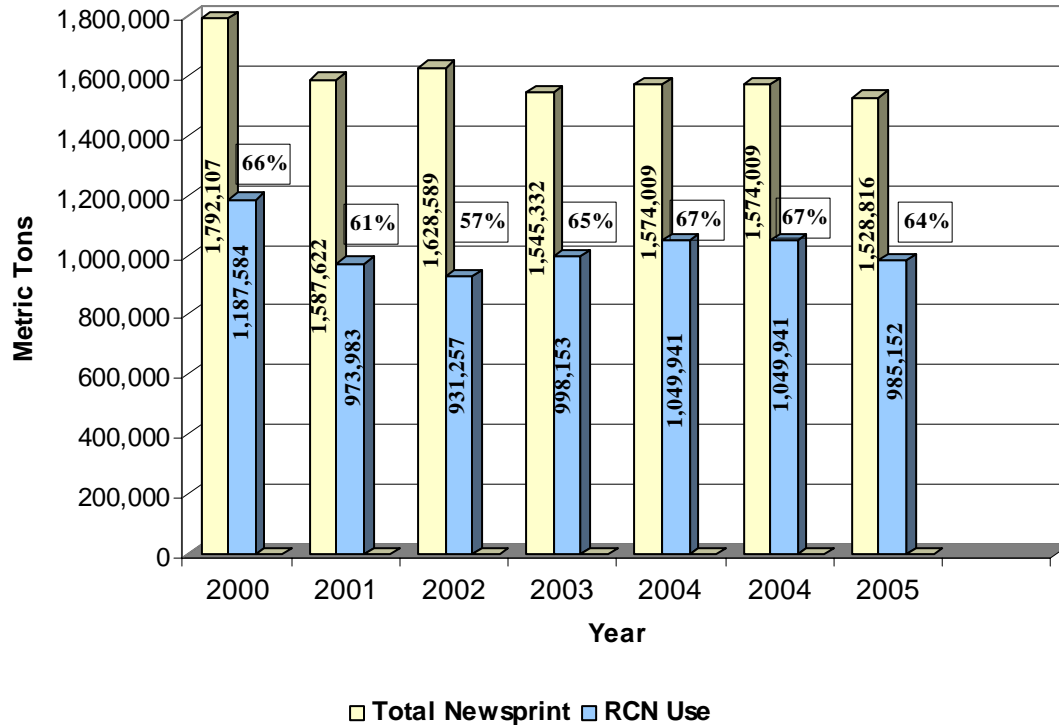
In 2005, 64 percent of the newsprint used by consumers was RCN. This is a drop of 3 percent from 2004 (see Figure 1).

**Figure 1. Percentage of Newsprint Used that Was RCN**



In 2005, newsprint consumers decreased the overall amount of regulated newsprint they used for the third consecutive year. California's newsprint consumers reportedly used 1,528,816 metric tons of regulated newsprint (Figure 2), of which 985,152 was RCN. In 2004 consumers used 1,574,009 metric tons of regulated newsprint, including 1,049,941 metric tons of RCN. Industry is making every effort to reduce waste in the printing process, thereby reducing total newsprint consumed. Additionally, more and more customers are signing up for online subscriptions and receiving their news by alternative means.

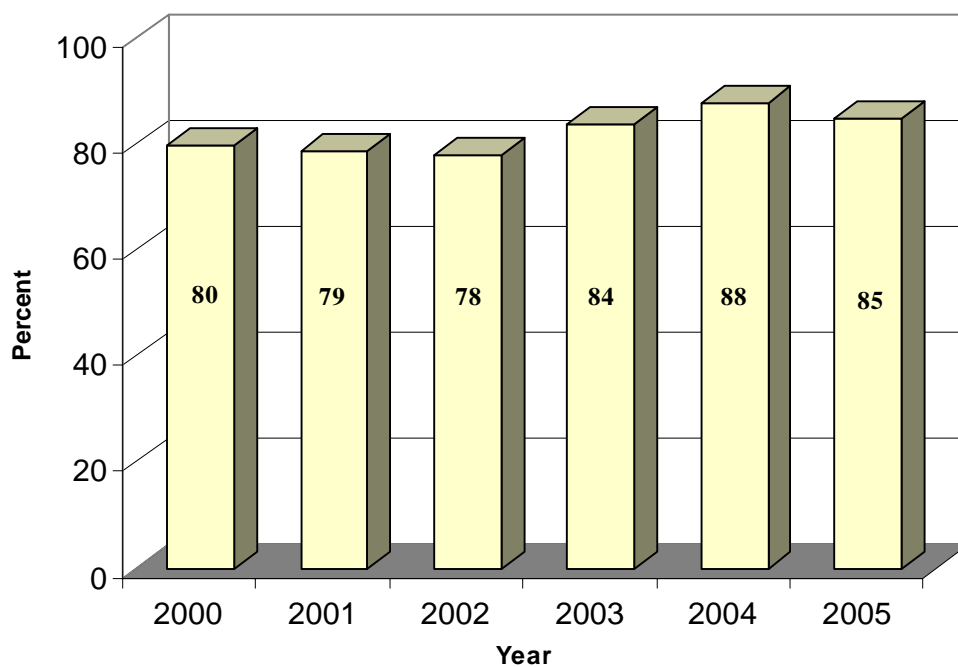
**Figure 2. Total Newsprint and RCN Used**



## Compliance Rates

The RCN Program mandates that at least 50 percent of the newsprint used by each of California's consumers be RCN. For the year 2005, 85 percent (120) of the consumers complied with this mandate (Figure 3). The remaining 15 percent (22) of the consumers requested exemptions from meeting this mandate.

**Figure 3. Compliance Rates**



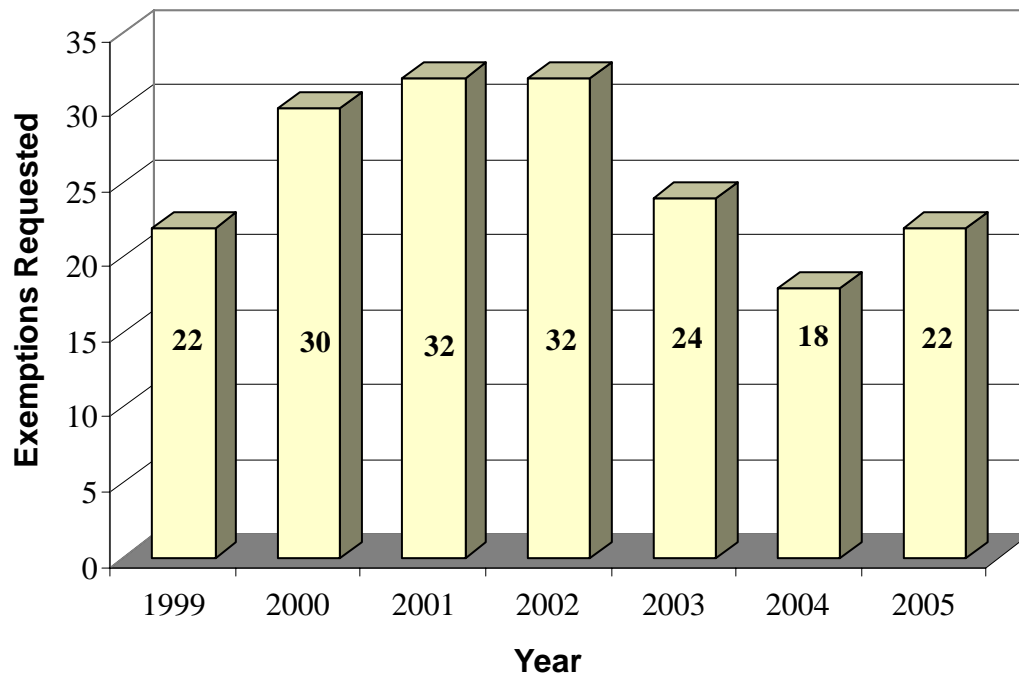
## ***Exemption Requests Made by Printers and Publishers***

When a newsprint consumer cannot obtain and use enough RCN to attain its 50 percent use requirement, the business may request an exemption from the law to avoid being “out of compliance.” Exemptions are allowed only in the following three cases:

1. The RCN was not available at a comparable price.
2. The RCN did not meet the quality standards that are annually established by the CIWMB.
3. The RCN was not available in a reasonable time.

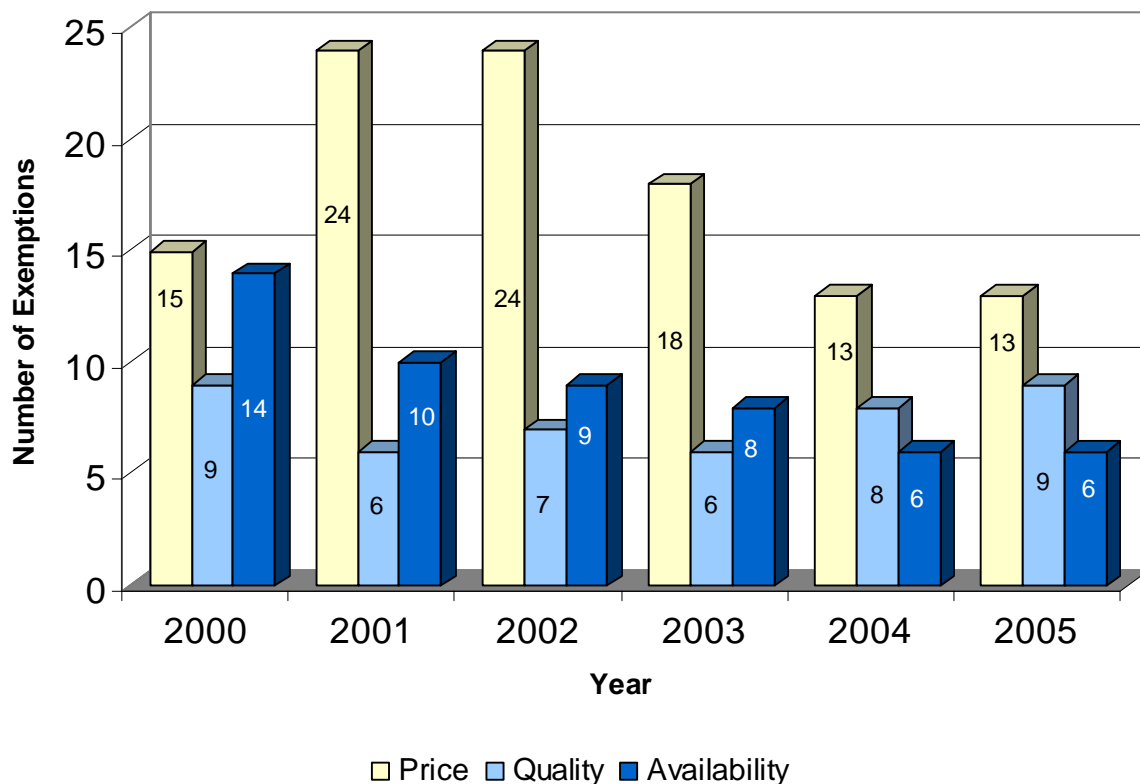
In 2005, 22 of 142 (15 percent) newsprint consumers reported that they did not meet their minimum-use requirement based upon one or more exemptions allowed. This is four more exemptions than newsprint consumers requested last year (see Figure 4).

**Figure 4. Number of Companies Requesting Exemptions**



The majority of exemption requests stated RCN was not available at a comparable price. This continues to be the number one reason for not attaining the mandated use requirement. In 2005, 13 consumers claimed the price exemption, 6 claimed availability, and 9 consumers claimed the quality exemption (see Figure 5). Individual consumers can claim multiple exemptions.

**Figure 5. Type of Exemptions**



### ***Good Faith Certification***

Newsprint consumers who claim an exemption are required to document a “good faith effort” on their certifications. A good faith effort means listing all newsprint suppliers with whom the consumer had purchase discussions, or producers that offered to sell RCN within the preceding 12 months. If a good faith effort has not been made and documented, any newsprint consumer not complying with the statutory requirement may be subject to civil penalties of up to \$1,000. Since the inception of the program only one company has been subjected to civil penalties.

In 2005 all companies that sought exemption documented their good faith effort on their certifications. Staff assisted newsprint consumers with their good faith effort through communications and providing a list of newsprint suppliers.

### ***Manufacturer Certification Results***

California State law requires manufacturers who supply newsprint in California to certify to the CIWMB by March 1 of each year. The certification is to include:

- The metric tons of postconsumer paper and/or de-inked pulp received or produced at each of the manufacturer’s mills.
- The metric tons of RCN, by grade, produced at each of the manufacturer’s mills and supplied for use in California.

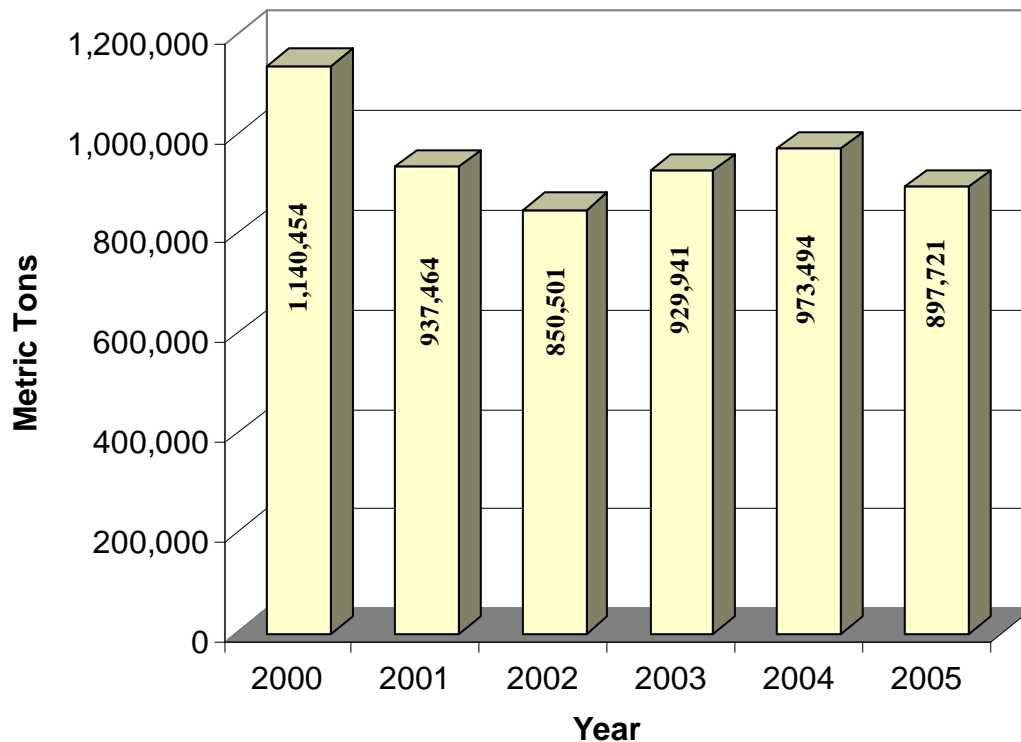
Numerous newsprint manufacturers have merged in recent years, resulting in a decrease in the number of entities that provide regulated newsprint for this program. In 1992, when this program first received



manufacturer certifications, 46 manufacturers reported. In 1998, the number dwindled to 13. In 2005, only eight manufacturers that supplied regulated newsprint to California reported to the CIWMB.

The amount of RCN reportedly supplied to California increased from 2002 to 2004, but decreased from 2004 to 2005. The eight manufacturers that submitted certifications noted they received or produced 1,409,098 metric tons of de-inked paper pulp and supplied 897,721 metric tons of RCN to California (Figure 6). Since the amount of RCN reportedly used in 2005 by printers and publishers was 985,152 metric tons, reconciliation for the figures that newsprint consumers and manufacturers reported is at 91 percent. The 9 percent difference between RCN use and RCN supply is most likely the result of material used that was supplied during the previous year.

**Figure 6. RCN Supplied to California**



## Voluntary Efforts by Industry Trade Associations

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The CIWMB would again like to acknowledge the efforts of the Printing Industries Association of California and the California Newspaper Publishers Association in ensuring their constituents are aware of the mandated RCN Program. If not for the efforts of the trade associations, many newsprint consumers would have been less aware of the program requirements and possibly subject to fines. The exceptional results of the program and the tremendous compliance rate can, in part, be attributed to their continued participation and support. In particular, a special acknowledgement is given to Thomas W. Newton, General Counsel and Legislative Advocate for the California Newspaper Publishers Association, for his outstanding efforts in supporting the RCN Program.

# Conclusion

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The year 2005 brought the best on-time reporting ever achieved by the newsprint consumers. California's newsprint consumers and their suppliers are clearly aware of and responsive to their environmental responsibilities as required by this program. Their effort to abide by the law and meet the RCN use requirements is a testimonial to their respect for the environment and the people of California.

In 2005, actual RCN use and RCN use as a percentage of regulated newsprint decreased. However, the newsprint industry, for the third consecutive year, used less regulated newsprint overall, which means there were less resources used, less waste created, and less finished product at the end of its life cycle to manage. This is a great benefit to solid waste management, the industry, and California as a whole. The recycled-content newsprint program is helping to create and strengthen markets for secondary paper—creating more jobs than what would have been created by simply landfilling the recovered paper—conserving landfill space, conserving natural resources, and reducing energy consumption.

Energy savings are particularly applicable to recycling of newsprint. This is because production of mechanical pulp from which newsprint is made is more energy intensive than production of chemical pulps used for other paper grades. Making 1 ton of recycled paper uses only about 60 percent of the energy needed to make a ton of virgin paper<sup>†</sup>.

At a time of heightened interest in reducing energy consumption, which consequently reduces air pollution, recycling produces a double bonus. First, use of recycled materials in manufacturing instead of virgin materials reduces the consumption of energy. Second, at the disposal end, this energy savings outweighs any energy recovery achievable at the best state-of-the-art incinerator<sup>‡</sup>.

Air pollution, water pollution, toxic waste, global climate change, and deforestation are some of the most pressing human and environmental health hazards that threaten California. Reducing waste and using recycled materials in the manufacturing of newsprint reduces pollution, saves energy, conserves resources and thereby protects California's environment.

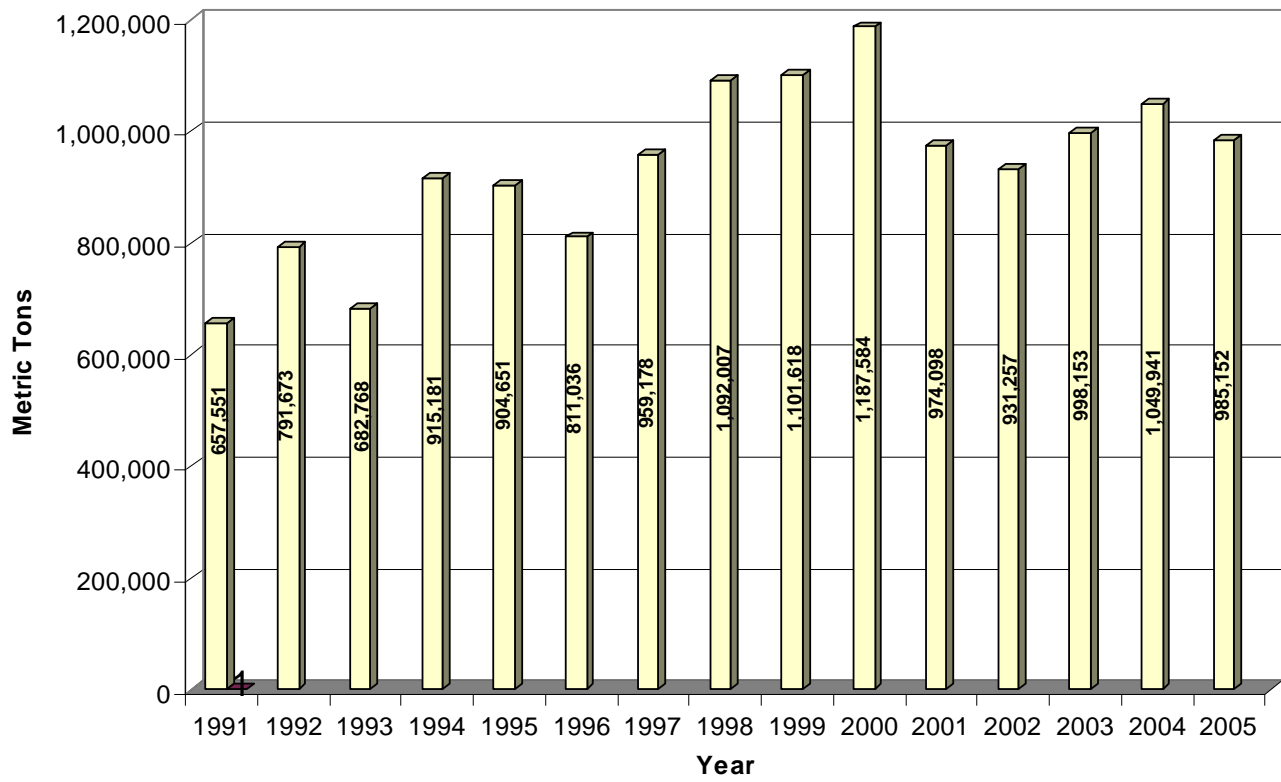
Since the inception of this program in 1991, more than 14 million tons of RCN have been used by the newsprint consumers (See Figure 7).

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<sup>†</sup> See Appendix.

<sup>‡</sup> See Appendix.

**Figure 7. RCN Use Since Newsprint Program Inception**



**More than 14 million tons of RCN has been used since the newsprint program began in 1991.**

This small, inexpensive, and effective program has brought tremendous environmental benefits to California during the last 15 years. Cumulatively, over the last 15 years, this program has saved an estimated 67 million trees, 10 million barrel of oil, 3 million megawatts of electricity and 2 billion gallons of water from paper making process, and 14 million tons of waste has been diverted from landfill.

Solid waste management needs to be environmentally sustainable to reduce overall environmental burdens. This simple program has contributed very positively to the solid waste management of California through source reduction benefit from reduced newsprint use and recycling of old newspapers.

## Appendix

The data for the estimated resource savings comes from the following sources:

American Council for an Energy Efficient Economy ([www.aceee.org/pubs/ie962.htm](http://www.aceee.org/pubs/ie962.htm))

Conservatree ([www.Conservatree.com/learn/EnviroIssues/TreeStats.shtml](http://www.Conservatree.com/learn/EnviroIssues/TreeStats.shtml))

University of Oregon ([www.darkwing.uoregon.edu/~recycle/TRIVIA.htm](http://www.darkwing.uoregon.edu/~recycle/TRIVIA.htm))

Empire State Newsprint Project ([www.besicorp.com/empire/pdfs/ArtX/chapter3.pdf](http://www.besicorp.com/empire/pdfs/ArtX/chapter3.pdf))

Recycling Advocates ([www.recyclingadvocates.org/newsletter/july2005.htm](http://www.recyclingadvocates.org/newsletter/july2005.htm))